[Translation]

SHRI P.S. GADHAVI : Mr. Chairman, through you, I want to ask from the Hon. Minister that 51 projects have been chand under I.W.D.P., it includes six districts of Gujarat. There is less wasteland in Gandhinagar district as compared of Kutch. Gujata State Government has not submitted any proposal for Kutch and whether you will include it for wasteland development.

[English]

SHRI KINJARAPPU YERRANNAIDU : Certainly. We sanction all the projects recommended by the State Governments. Some projects are under process also. Under the Employment Assurance Scheme, whatever amount is earmarked in that particular head, we are spending 50 per cent of that amount for waste land development. So, money is not the problem for giving sanction to the projects. You can identify the barren areas and recommend them through the State Government. We will process and sanction them. So far, in Gujarat, we have sanctioned six projects - Dang-I, Amreli, Jamnagar, Mehsana, Rajkot and Gandhinagar.

[Translation]

Shri P.S. Gadhavi : It is essential for Gandinagar but it is more important for Kutch, whether you will include it or not ?

[English]

SHRI KINJARAPPU YERRANNAIDU : It is done on the basis of the recommendation of the State Government, It is the State Government which recommended those projects. That is why, we sanctioned them.

[Translation]

SHRI DATTA MEGHE ; The questions are being asked for waste land. The 'Jhurpi Jangal' in Maharashtra is not a forest in real sense. In Maharashtra and Madhya Pradesh it has been regularised but the 4-5 forests called 'Jhurpi forest', are not forests in real sense. That is why irrigation project and road development work is stand still there. In fact it is wasteland but on records it is mentioned as 'Jhurpi Jangal', Please state the action taken on the Maharashtra Government's proposal.

SHRI BANWARILAL PUROHIT : His kothi and Nagpur High Court are also in the Jhurpi Jangal' area.

[English]

SHRI KINJARAPPU YERRANNAIDU : Sir, some proposals are pending in my Ministry. I will look into them. The hon. Member is asking about his area what are the projects sanctioned ? what are the projects going to be sanctioned ?

SHRI BHERU LAL MEENA : In tribal areas under my constituency in Rajasthan, the tribal people have encroached upon the forest land for the last 25-30 years. The previous Government has instructed to regularise the cases of prior to 1980 period and allot the land to them on ownership basis. But it has not been done so far and penalty is being imposed on them whether Government proposes to allot the land to them on the basis of previous Government's instructions in this regard ?

[English]

SHRI KINJARAPPU YERRANNAIDU : Sir, this question does not relate to the Wasteland Development Programme. It relates to the *adivasis*. The programme for *adivasis* is looked after by the Ministry of Welfare. If he has anything concerning them, he can put a separate question to the Ministry of Welfare.

[Translation]

Power Policy

*342. SHRI SATYA DEO SINGH :
SHRI SANAT MEHTA :

Will the PRIME MINISTER be pleased to state :

(a) whether the Government have set up an expert Committee to work out norms for operation of private corporates in power transmission :

(b) if so, the details and composition thereof;

(c) whether the said Committee has submitted its report;

(d) if so, the terms, conditions and guidelines suggested by the Committee in this regard; and

(e) if not, the time by which the report is likely to be submitted by the Committee ?

[English]

THE MINISTER OF STATE IN THE MINISTRY OF POWER (DR. S. VENUGOPALACHARI) : (a) to (e) A Statement is laid on the Table of the House.

Statement

(a) and (b) Yes, Sir. A Committee of Experts has been constituted on 17th February, 1997 to suggest, inter-alia, guidelines for determination of tariff having regard to operational norms such as line availability and financial parameters. The composition of the Committee is as under:

(1) Shri D. Sankaraguruswamy, former Chairman, Power Finance Corporation - Chairman.

(2) Shri G.S. Rajamani, Member (E&C), CEA -Member.

(3) Shri K. Ramanathan, Retired Member (PS), CEA - Member.

(4) Shri M.V. Dhekne, former Member. MSEB – Member.

(5) Shri Ashok Harane, Infrastructure Leasing & Financial Services Ltd. (ILFS) Bombay – Member.

(6) Shri Bhanu Bhusan, Executive Director (Engg.), POWERGRID, Member – Secretary.

(c) No, Sir.

(d) Does not arise.

(e) The Committee is expected to submit its report in April, 1997.

[Translation]

SHRI SATYA DEO SINGH : Hon. Chairman, Sir, from yesterday onwards even today in the House Electricity Law Amendment Bill, 1997.

[English]

Further to amend the Indian Electricity Act, 1910 and the Electricity (supply) Act, 1948 is being considered. *[Translation]* My question is related to it country is suffering heavily on a/c of protection, supply and transmission of Power. Government it self accept that is general total transmission losses and lines loses should not be more than 10 percent. But according to official figure it is about 22 percent. The present Govt. is also functioning on the Policies of previous Govt. But it want's do hide its in efficiency by way of privation. Power production and Power supply is going in the hand of private sector. Now transmission Bill has been introduced. The previous Govt. did not have the good experience of private sector during the last five years. The then Minister of Finance had admitted that their expretions of private sector had not be achieved. Now on present Govt. has entered this transmission sector with now expectation. I feel that it is because of collecting money it is being done. The D. Sankaraguruswamy committee on transmission lines has been asked to suggest, inter-alia, guidelines for determination of tariff having regard to operational norms such as line availability and financial parameters.

MR. CHAIRMAN : Ask question.

SHRI SATYA DEV SINGH : I am asking question. Have you considered the fact that the committee which is to submit its report by due and of April, whether it will include the expansion of transmission lines in backward areas ?

In regard to part 'b', I want to ask, whether Govt. will permit multinational companies to enter in highly profitable transmission sector. Whether Govt. will ensure that transmission lines which then multinational companies will lay or have participation or will form corporation, will they extend them in remote areas ? Whether Govt. will also ensure that they should not only lay these lines is profitable sector but also is poor, remote and backward areas. These are may two questions.

[English]

DR. S. VENUGOPALACHARI : Sir, there are five questions raised by the hon. Member. The hon. Member has rightly understood the necessity of the amendment of the Act. The Electricity Supply Acts of 1910 and 1948 do not permit transmission to be a separate activity. Now, we want to modify the Act and we want to make transmission as a separate activity. All the Chief Ministers considered this and, based on that, we have prepared a Common Action Plan. We are providing this facility in the proviso, but we are not forcing the State Governments to enforce it in the private sector.

The second point is about the emphasis on backward regions. The Power Grid has identified some areas in the Eighth Five Year Plan as well as in the Ninth Five Year Plan. So, we are giving emphasis on the backward areas also.

In all other aspects, we are emphasising not only on backward areas, but also on total regional development.

So far as counter guarantees are concerned, there is no proposal for giving any counter guarantees. There is no question of our giving any counter guarantees to either the multinationals or any power grid companies.

{Translation]

SHRI SATYA DEV SINGH : Mr. Chairman, Sir, you are saying that you will not provide counter guarantee. Whether Govt. has not given counter guarantee so production of Power Projects like Eronon ? I can't understand this policy ? You are saying that counter guarantee will not be provided, then who will come forward in transmission of lines sector ? Today you are saying No, tomorrow you will say you. My second question is, first you should instenct our Hon. Minister that if he has to safeguard our rights . . . *(Interruptions)*

MR. CHAIRMAN : No, Ask question.

(Interruptions)

SHRI SATYA DEV SINGH : You have to protect our rights. My question has not been replied properly . . . *(Interruptions)*

MR. CHAIRMAN : He has said about counter guarantee.

(Interruptions)

SHRI SATYA DEV SINGH : He is giving assurance that Govt. will not provide counter guarantee.

MR. CHAIRMAN : No, you are saying that Govt. will provide. But this question does not arise at now.

(Interruptions)

SHRI SATYA DEV SINGH : This question is to be raised in near further . . .*(Interruptions)*.

MR CHAIRMAN : We will think it over in the near future. You may ask your next question.

SHRI SATYA DEV SINGH : Power comes under infrastructure sector. If the Power generation in less, the country progress will be affected Honble Minister has said that Act is being amended because so for the transmission sector was not a separate subject. You are of the view that in Power sector, generation, transmission and distribution an than separate sectors. Majority of the Electricity Boards in the country an running in losses. Many a times due causes will be in either, generation, transmission or distribution sectors. Line loss is maximum in the transmission sector. It means you will give on entire Power sector to private sector Government *had* admitted that transmission is a separate sector, whether when ever a new united law is anacted, will it be ensured that transmission, generation and distribution will be separate sectors in a electricity board, so that Power production, distribution and transmission sectors will work satisfactory? Whether you will ensure in this regard ?

The second question, through a separate one, is an important one.

MR. CHAIRMAN : You ask one question.

SHRI SATYA DEV SINGH : I am asking for reply given to part 'b'. There are more than 400 sugar mills in the country. They can generate power & submitted their proposal in this regard. Hon. Minister may be aware that at present every sugar mill can produce 10 Megawatt of Power, without spending money. Wether Govt. will consider this aspect & will add in the amendment ?

[English]

DR. S. UENUGOPALACHARI : As the hon. Member has rightly said, no counter-guarantee will be given for transmission projects in the private sector or joint sector presently. Transmission service charges will be fixed based on the guidelines or instructions given as per the Tariff Committee. Based on the suggestion of the Chairman of the Committee, the tariff will be fixed. Counter-guarantee is given for projects only at the time of investment or at the time of privatising the power sector. At that time, the then Government had identified some projects. Some projects are moving on the fast line activity. They are identified as Fast Track Projects. To attract more private participation, in order to give insurance, this is done. Due to the unhealthy state of affairs of the Electricity Boards, no private parties were coming at that time. So, at that time, to assure the private companies, to assure the multinational companies they identified some projects. They are called Fast Track Projects. The counter-guarantee is restricted only to eight Fast Tract Projects. Further, we have also taken a decision not to give any counter-guarantee for the other projects.

About reform and restructuring of the SEBs, this is also undertaken by the various State Governments. This Government has not prescribed any specific formula for the reforms of the SEBs.

About the captive co-generation of power by sugar factories, already we have delegated the powers to the States. Whatever capacity megawatt they want to generate, whether it is the sugar industry or any other industry, we are permitting that. We are promoting more captive generation and co-generation activity. We have given the powers to all the States. They need not come to the Central Government for permission.

{Translation]

SHRI SATYA DEV SINGH : Sir, more than ten thousand crore rupees will be spent on transmission lines. Who will invest this much money and who will invert in transmission lines ?

{English]

DR. S. VENUGOPALACHARI : That is why, we are amending the 1910 Act and the 1948 Act. We are amending the acts whereby we are introducing private transmission.

SHRI SANAT MEHTA : Sir, my questions are very specific. Firstly, I would like to know whether any such proposals from the private parties for taking over the transmission lines are there with the Government or not. It there are any, how many are there and who are they? Secondly, I would also like to know about the kind of norms which will be laid down by this Committee; how many will be applied to the existing companies. Supposing in Gujarat, the Surat Electricity Company is taking power from the GEB and doing only the distribution work in the city. I would like to know whether these norms will be applicable to those existing transmission companies also. Thirdly, suppose there are different industrial estates. They are at present buying power from the State Electricity Boards. If they want to take over the transmission and distribution work, will these norms be applicable to them or not ? If answers to all these questions are 'yes', I would like to know whether the parties concerned have been taken into confidence by this Committee or not.

DR. S. VENUGOPALACHARI : In regard to the private sector, at present, they identified only the Central sector. After passing the Act in the Parliament, we will move further. There is no question of any proposal for privatising the existing transmission lines either in the Central sector in the State sector. In the Act, we are providing only for taking the bulk power from one region to the other region . . . *(Interruptions)*

SHRI SANAT MEHTA : These parties are all taking bulk power. The hon. Minister has not followed my question. The Surat Electricity Company is buying bulk power from the GEB. These are all bulk power cases. I would like to know whether these norms will be applicable to them or not. About participation, I wanted to know

whether there are any offers before the Government or not and before getting the offers whether they are deciding the norms or not. Please answer.

DR. S. VENUGOPALACHARI : We are providing transmission facilities in the existing sector. The hon. Member has asked about Surat. We are leaving the option about the projects to the States only to promote joint ventures either with the Electricity Board or with the multinational companies . . .*(Interruptions)*

SHRI SANAT MEHTA : This is not the question. I want to know whether these norms will be applied in the existing sector. I am not asking whether it will be taken over by anybody.

MR. CHAIRMAN : The hon. Member is asking whether your norm will be applicable to it.

SHRI SANAT MEHTA : I would like to know whether the norm as laid down in the Report of the Committee which will be submitted in April, will be applicable to the existing companies which are involved in the transmission lines. I want to know whether you are trying to evolve the norms without getting the offer.

DR. S. VENUGOPALACHARI : If the companies are asking exclusively for the transmission lines, then the same norm will apply to them also. . .*(Interruptions)*

SHRI SANAT MEHTA : I am asking about the existing ones.

DR. S. VENUGOPALACHARI : The same norms will apply to them also.

Secondly, in response to the private sector projects, only some projects have been identified in the Mangalore-Bangalore section.

MR. CHAIRMAN : Mr. Minister, If you have any details, you can pass them on to the hon. Member.

DR. S. VENUGOPALACHARI : After the project is identified, I will submit the details to the hon. Member.

SHRI SANAT MEHTA : This is what I wanted to know. I do not want anything else. Now he is saying that this will be passed on to me. But nothing is passed on. The other day, the Finance Minister had promised me during the Question Hour that he would supply me the details about the income-tax applications to the corporate sector within seven days. Seven days are over now but I have not received any reply from him. . .*(Interruptions)*

MR. CHAIRMAN : let us confine to this question.

DR. S. VENUGOPALACHARI : There has been a good response from the private sector. A lot of companies have initiated action.

MR. CHAIRMAN : You can pass on those details to the hon. Member.

SHRI BASU DEB ACHARIA : It is strange that the Expert Committee has not yet submitted its Report. The Government is bringing a Bill to hand-over the transmission part of the private sector. We objected to the handing-over of transmission to the private sector because the modalities have not yet been finalised. That is why, we wanted that the Bill be referred to the Standing Committee to discuss in detail the modalities and everything. He has stated in reply to the question that tariff will depend on the operational norms such as availability of line and financial parameters. The consumer will have to pay more to the private sector because the private sector will not come in a less profitable area. When the new thermal power station will start generating power, then there will be problem of evacuating power. That is why transmission of power from the thermal power station to the distribution centre is needed. My question is whether the Government have examined the fact exclusively the transmission and not distribution because transmission is now allowed in the private sector – of allowing transmission in the private sector. I would like to know whether there will be any control on the tariff to be paid by the consumers.

DR. S. VENUGOPALACHARI : It is true that the Committee is going to submit the Report in the month of April. Once the Act is passed by the august House, we want to, simultaneously, commence the work as it requires a lot of time to identify the line, structure, feasibility report, financial aspects and so on. It takes some time for all these things. That is why, we are proposing this Bill.

About fixing the tariff for consumers, the present system is there where the transmission and distribution are taken together. Only a separate activity is provided in this Act. At present, it is clubbed with generation and distribution. There is no separate pricing for transmission. It is the responsibility of the States to club all the things and charge the tariff from the consumers. It includes all these components and not just one component. The powergrid has no control over it once the private participation comes in. It is only an apprehension. it is not true. At present, the Regional Load Despatch Centres monitor the intelligence. At the national level, we monitor it through the CEA. It will be controlled by the Central and the State Governments with the concurrence of the State Government. We are amending the Act now.

SHRI V. DHANANJAYA KUMAR : We all agree that in the entire country, we are facing the power crisis. There are no two opinions about it. More and more power will have to be generated. Power will have to be transmitted to the grid. It will then be distributed. Now the Minister has been talking about the policy. In the course of the reply, he has referred to one such project of transmission pertaining to the State of Karnataka. He has taken out the name of Mangalore which is my constituency.

MR. CHAIRMAN : Please ask the question.

SHRI V. DHANAJAYA KUMAR : I am coming to the question. I presume that he is referring to the power plant that is to be set up by the Mangalore power company, that is, Cogentrix company, The power that will be generated in Mangalore will have to be transmitted to Bangalore. My question is whether the Government looks to such a project as the model project which is proposed by the Karnataka Government. If so, I want to know whether the Government would follow those details mentioned in that project, for other projects also.

Part (b) of my question is this. What are the details of the projects in the case of this Mangalore power company ?

My last question is this. My anxiety is that power is generated at Mangalore and then it will be transmitted to Bangalore. . .*(Interruptions)*

MR. CHAIRMAN : You are going far beyond the scope of the question. Let the hon. Minister answer these questions. You have raised so many questions.

SHRI V. DHANANJAYA KUMAR : In reply to a similar question raised in Rajya Sabha, the Minister had made a reference to it. I would like to know whether it is going to be a model unit or not and whether sufficient power will be distributed where power is being generated. I would like to know whether you have taken care of this project.

DR. S. VENUGOPALACHARI : Hon. Member has asked about the model project. We want all the projects to be the model projects. We want to streamline all the projects. The Government of Karnataka has identified this project for private evacuation because 2,500 MW power is coming, the evacuation line is not coming to Bangalore. Basing on that ratio, the Government of Karnataka have identified a joint venture with some care of the Government of Karnataka. After the Bill is passed, the details will be finalised.

SHRI V. DHANANJAYA KUMAR : I would like to know whether the power will be supplied to the Dakshin Kanara district.

DR. S. VENUGOPALACHARI : Basing on these lines, power will be supplied.

SHRI RAMESH CHENNITHALA : The Government is allowing the private companies in the area of power generation. The State Governments are signing more purchase agreements and other agreements. In our State of Kerala, a lot of power purchase agreements were signed by the State Government in regard to supply of Naptha and other things from the Centre. There is a gross discrimination in the allocation of Naptha and other fuel. I would like to know from the hon. Minister whether they have laid down some principle for allocation of Naptha and other fuel items to the State Governments in order to honour the commitment about the power purchase agreement which has already been signed. Why has our State been discriminated in this regard ?

MR. CHAIRMAN : It is a general question. It is not connected to the main question. Mr. Minister, if you have the information, you can give a reply.

DR. S. VENUGOPALACHARI : Naptha is one of the fuels based on which Kerala has got 660 MW of power. We have sent some guidelines also about these projects in the coastal lines. about competitive bidding, about those under captive generation and co-generation. We have given some guidelines. Accordingly, the Kerala Government might have submitted this proposal.

SHRI N.S.V. CHITTHAN : It is alarming and destressing to note that the transmission loss in India is too much. Something must be done on a war footing. I am happy that the Government has set up on Expert Committee.

MR. CHAIRMAN : Please ask the question.

SHRI N.S.V. CHITTHAN : I am going to ask the question. I will be very simple, short and crisp also. May I know from the hon. Minister what is the response of private sector to the power transmission, what are the terms of reference of the Expert Committee and what is the present status of the atomic power plant at Kodangalam.

DR. S. VENUGOPALACHARI : About the atomic power plant at Kodangalam, the Hon. Member has to put a separate question to Dr. Alagh.

In response to a question about the private sector, just now I mentioned about a power transmission line from Mangalore to Bangalore. We have identified some bids.

The terms of reference of the Committee are; determination of transmission tariffs which includes suggestions on operational parameters, selection of private companies in the field of transmission including principles for bid solicitation and evaluation, regulation of transmission project licensees and coordination of regional grid operation, and modalities for issue of transmission licences both for inter-state and intra-state transmission.

SHRI JAG MOHAN ; I want to ask a simple question. When the private party lays the transmission lines, would the State help them in acquiring land or will they acquire land on their own ? Secondly would the policing help also be available to the private companies ? If that help is available to the private companies both with regard to peace and land acquisition, would they pay for the services rendered by the State or not ? If there is a dispute with regard to tariff, will there be any mechanism to settle those disputes subsequently ?

DR. S. VENUGOPALACHARI : We have identified a new land for the power grid. It is only for the bulk projects. Compulsorily the State Government's concurrence is necessary to pass the line in a particular State and they have to foot the billing charges.